



6215 N. L & N Turnpike | Buffalo, KY 42716 | 270-325-3242
lcwd1@scrtc.com | www.laruecountywater.com

April 17, 2020

Mr. Kent Chandler
Executive Director
Public Service Commission
PO Box 615 Frankfort, KY 40602

Mr. Chandler,

Enclosed is Larue County District No. 1's Purchased Water Adjustment Application. Larue County Water District No. 1 received a rate adjustment from the City of New Haven due to a rate increase from the City of Bardstown (TFS2019-006233). Larue County Water District No. 1 has not received an official notice from the City of New Haven, however, Larue County Water District No. 1 has received a bill from the City of New Haven and the rate the City of New Haven is charging Larue County Water District No. 1 is \$2.853 per 1,000 gallons purchased. In the filing you will find the Purchased Water Adjustment Application, the current bill from the City of New Haven, and the most current contract with the City of New Haven.

Sincerely,

Tim Bartley
General Manager

Board of Directors

Chairman: John M Detre
Secretary/Treasurer: Pat Eastridge
Commissioner: Bobby Garrison

Manager
Tim Bartley

"Equal Opportunity Provider"

**PURCHASED WATER ADJUSTMENT FOR
WATER DISTRICTS AND WATER ASSOCIATIONS
(807 KAR 5:068)**

Name of Utility	Larue County Water District No. 1	
Date	November 20, 2019	
Address	6215 North L&N Turnpike	
City, State, Zip	Buffalo, Ky	42716
Telephone Number	270-325-3242	
Email Address	Lcwd1@scrtc.com	

1.a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if necessary.

Supplier(s)	Base Rate	Changed Rate
City of Campbellsville	\$2.35	N/A
Green Taylor Water District	\$2.89	N/A
City of Bardstown	\$2.45	N/A
City of New Haven	\$2.33	2.853
Green River Valley Water District	\$2.59	N/A
City of Hodgenville	\$2.10	N/A

1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit

2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of this filing).

From	April 2019	through	March 2020
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3. Statement of water purchases. Where water is purchased from more than one supplier, purchases from each supplier must be shown separately. If water is purchased through a declining block rate schedule, purchases for each month must be shown. Attach an additional sheet if necessary.

Supplier(s)	Gallons Purchased during 12 month period
City of Campbellsville	13,408,100
Green Taylor Water District	3,280,200
City of Bardstown	26,523,200
City of New Haven	11,008,200
Green River Valley Water District	95,927,400
City of Hodgenville	41,416,650
TOTAL PURCHASES	191,563,750
4. Total gallons sold for the 12 month period	
	167,552,303
5. Increased water cost	
	5,757.29
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate. The calculation and all supporting documents used to determine the change in purchased water costs sufficient to determine the accuracy of the calculation is attached as Exhibit	
6. Purchased water adjustment factor	
	.04 per 1,000 gallons
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.	
Note: The purchased water adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the purchased water adjustment factor would be added to the minimum bill twice.	
7. A schedule listing the current and proposed rates is attached as Exhibit	
8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit	
9. Proposed effective date	
	April 1, 2020
Signature of Utility Officer	

Tim Baskley

General Manager

Exhibit A

CUSTOMER NOTICE

Due to an increase from one of its suppliers, Larue County Water District No.1 received approval from the Public Service Commission to adjust its rates effective April 1, 2020.

MONTHLY WATER RATES

Minimum Bills Based on Meter Size

<u>Meter Size</u>	<u>Gals. Incl'd. in Minimum</u>	<u>Minimum Bills</u>		<u>Dollar Increase</u>	<u>Percent Increase</u>
		<u>Current</u>	<u>Proposed</u>		
5/8 x 3/4 inch	1,000	\$15.40	\$15.44	\$0.04	.26%
3/4 inch	3,000	29.57	29.69	.12	.41
1 inch	5,000	43.75	43.95	.20	.46
1 1/2 inch	10,000	75.38	75.78	.40	.53
2 inch	20,000	126.96	127.76	.80	.63

Rates for Water Usage in Addition to Minimum

<u>No. of Gallons per Month:</u>	<u>Charge per 1,000 Gals.</u>		<u>Dollar</u>	<u>Percent</u>
	<u>Current</u>	<u>Proposed</u>	<u>Increase</u>	<u>Increase</u>
First 1,000 Gallons	\$15.40	\$15.44	\$0.04	.26%
Next 4,000 Gallons	7.09	7.13	.04	.56
Next 5,000 Gallons	6.33	6.37	.04	.63
Next 10,000 Gallons	5.16	5.20	.04	.78
Over 20,000 Gallons	4.16	5.20	.04	.78

The monthly bill for an average customer using 5,000 gallons per month will increase from \$43.76 to \$43.96 this is an increase of .48%.

Larue County Water District No. 1 has available for inspection at its office the application which it submitted to the Public Service Commission. A person may examine this application at Larue County Water District No.'s office located at 6215 North L&N Turnpike Road, Buffalo, KY 42716. You may contact the office at 270-325-3242.

A person may also examine the application at the Public Service Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Public Service Commission's website at <http://psc.ky.gov>.

Exhibit B

WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of the 11th day of May, 19 89, between the CITY OF NEW HAVEN
New Haven, Kentucky
(Address)

hereinafter referred to as the "Seller" and the LARUE COUNTY WATER DISTRICT NO. 1
Buffalo, Kentucky
(Address)

hereinafter referred to as the "Purchaser", and the CITY OF BARDSTOWN, Kentucky, hereinafter referred to as the **SUPPLIER**

WITNESSETH:

Whereas, the Purchaser is organized and established under the provisions of Chapter 74 of the Code of Kentucky Revised Statutes for the purpose of constructing and operating a water supply distribution system serving water users within the area described in plans now on file in the office of the Purchaser and to accomplish this purpose, the Purchaser will require a supply of treated water, and

Whereas, the Seller owns and operates a water supply distribution system with a capacity currently capable of serving the present customers of the Seller's system and the estimated number of water users to be served by the said Purchaser as shown in the plans of the system now on file in the office of the Purchaser, and

Whereas, by Resolution No. -- enacted on the 11th day of May, 19 89, by the Seller, the sale of water to the Purchaser in accordance with the provisions of the said Resolution was approved, and the execution of this contract carrying out the said Resolution by the Mayor and attested by the Secretary, was duly authorized, and

Whereas, by Resolution of the Board of Commissioners of the Purchaser, enacted on the 5th day of December, 19 88, the purchase of water from the Seller in accordance with the terms set forth in the said Resolution was approved, and the execution of this contract by the Chairman attested by the Secretary was duly authorized;

Now, therefore, in consideration of the foregoing and the mutual agreements hereinafter set forth,

A. The Seller Agrees:

1. (Quantity and Quantity) To furnish the Purchaser at the point of delivery hereinafter specified, during the term of this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the Commonwealth of Kentucky

In such quantity as may be required by the Purchaser not to exceed 1 million gallons per month.

The SUPPLIER agrees to increase the monthly amount of water it makes available to the SELLER by the amount actually used by the PURCHASER, but not to exceed 1 million gallons per month. This makes the SUPPLIER's maximum monthly obligation to the SELLER 5.5 million gallons (4,500,000 + 1,000,000 = 5,500,000). The rate of flow as described in section A.2 of the water purchase contract between the Supplier and the Seller is amended to a maximum rate of 150 gallons per minute.

2. (Point of Delivery and Pressure) That water will be furnished at a reasonably constant pressure calculated at point of delivery from an existing 8" inch main supply at a point located on

S. 31E near Tank on north side of New Haven.

if a greater pressure than that normally available at the point of delivery is required by the Purchaser, the cost of providing such greater pressure shall be borne by the Purchaser. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the Seller from this provision for such reasonable period of time as may be necessary to restore service.

3. (Metering Equipment) To furnish, install, operate, and maintain at its own expense at point of delivery, the necessary metering equipment, including a meter house or pit, and required devices of standard type for properly measuring the quantity of water delivered to the Purchaser and to calibrate such metering equipment whenever requested by the Purchaser but not more frequently than once every twelve (12) months. A meter registering not more than two percent (2%) above or below the test result shall be deemed to be accurate. The previous readings of any meter disclosed by test to be inaccurate

shall be corrected for the three (3) months previous to such test in accordance with the percentage of inaccuracy found by such tests. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered in the corresponding period immediately prior to the failure, unless Seller

and Purchaser shall agree upon a different amount. The metering equipment shall be read on 20th day of each month. An appropriate official of the Purchaser at all reasonable times shall have access to the meter for the purpose of verifying its readings.

4. (Billing Procedure) To furnish the Purchaser at the above address not later than the 1st day of each month, with an itemized statement of the amount of water furnished the Purchaser during the preceding month.

B. The Purchaser Agrees:

1. (Rates and Payment Date) To pay the Seller, not later than the 10th day of each month, for water delivered in accordance with the following schedule of rates:

a. \$ N/A for the first N/A gallons, which amount shall also be the minimum rate per month.

b. \$ 0.96 cents per 1000 gallons for ~~water used~~ all water used until the SUPPLIER's wholesale rate is modified.

c. \$ N/A cents per 1000 gallons for water in excess of N/A gallons.

d. The rate shall be \$0.16 cents per 1,000 gallons above the wholesale rate charged by the SUPPLIER to the SELLER at the present time. When the SUPPLIER's wholesale rate is increased or decreased, the rate to be charged to the PURCHASER shall be increased or decreased by the same percentage as the wholesale rate is increased or decreased.

2. (Connection Fee) To pay as an agreed cost, a connection fee to connect the Seller's system with the system of the Purchaser, the sum of N/A dollars which shall cover any and all costs of the Seller for installation of the metering equipment and the Purchaser shall pay the actual cost of the master

meter and all other devices necessary to properly connect the two systems.

C. It is further mutually agreed between the Seller and the Purchaser as follows:

1. (Term of Contract) That this contract shall extend for a term of 49 years from the date of the initial delivery of any water as shown by the first bill submitted by the Seller to the Purchaser and, thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Seller and Purchaser.

2. (Delivery of Water) That 30 days prior to the estimated date of completion of construction of the Purchaser's water supply distribution system, the Purchaser will notify the Seller in writing the date for the initial delivery of water.

3. (Water for Testing) When requested by the Purchaser the Seller will make available to the contractor at the point of delivery, or other point reasonably close thereto, water sufficient for testing, flushing, and trench filling the system of the Purchaser during construction, irrespective of whether the metering equipment has been installed at that time, at a

rate of \$.96 per 1,000 gallons for water used which will be paid by the contractor or, on his failure to pay, by the Purchaser.

4. (Failure to Deliver) That the Seller will, at all times, operate and maintain its system in an efficient manner and will take such action as may be necessary to furnish the Purchaser with quantities of water required by the Purchaser. Temporary or partial failures to deliver water shall be remedied with all possible dispatch. In the event of an extended shortage of water, or the supply of water available to the Seller is otherwise diminished over an extended period of time, the supply of water to Purchaser's consumers shall be reduced or diminished in the same ratio or proportion as the supply to Seller's consumers is reduced or diminished.

5. (Modification of Contract) That the provisions of this contract pertaining to the schedule of rates to be paid by the Purchaser for water delivered are subject to modification at the end of every five (5) year period. Any increase or decrease in rates shall be based on a demonstrable increase or decrease in the costs of performance hereunder, but such costs shall not include increased capitalization of the Seller's system. Other provisions of this contract may be modified or altered by mutual agreement. The rates shall be modified according to the five (5) year schedule adopted by the SUPPLIER.

6. (Regulatory Agencies) That this contract is subject to such rules, regulations, or laws as may be applicable to similar agreements in this State and the Seller and Purchaser will collaborate in obtaining such permits, certificates, or the like, as may be required to comply therewith.

7. (Miscellaneous) That the construction of the water supply distribution system by the Purchaser is being financed by a loan made or insured by, and/or a grant from, the United States of America, acting through the Farmers Home Administration of the United States Department of Agriculture, and the provisions hereof pertaining to the undertakings of the Purchaser are conditioned upon the approval, in writing, of the State Director of the Farmers Home Administration.

8. (Successor to the Purchaser) That in the event of any occurrence rendering the Purchaser incapable of performing under this contract, any successor of the Purchaser, whether the result of legal process, assignment, or otherwise, shall succeed to the rights of the Purchaser hereunder.

9. This Water Purchase Contract is hereby pledged to the United States of America, acting through the Farmers Home Administration (FmHA), as a part of the security for a loan or loans by the United States of America. This pledge shall continue in effect so long as the LaRue County Water District No. 1 is indebted to the Farmers Home Administration.

10. The PURCHASER warrants that its engineer has analyzed the hydraulic consequences of connecting the two systems and holds harmless the SELLER and the SUPPLIER from any and all liability resulting from the introduction of the SELLER's and the SUPPLIER's hydraulic systems onto that of the PURCHASER.

11. The SUPPLIER hereby consents for the SELLER to wholesale water to the PURCHASER, but neither the SELLER nor the PURCHASER may wholesale to any other entity the water obtained from the SUPPLIER.

In witness whereof, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in three (3) counterparts, each of which shall constitute an original.

Seller:

CITY OF NEW HAVEN

By George G. Barry

Title GEORGE G. BARRY, MAYOR

Attest:

L. C. Mathews
CITY CLERK

Purchaser:

LARUE COUNTY WATER DISTRICT NO. 1

By Alan Rust

Title ALAN RUST, CHAIRMAN

Attest:

Kenneth Doom
KENNETH DOOM, Secretary

This contract is approved on behalf of the Farmers Home Administration this 10th day of January, 19 90.

By James A. Letcher

Title Community & Business Programs Specialist

SUPPLIER
CITY OF BARDSTOWN

ATTEST:

Lonnie G. Parrott
LONNIE G. PARROTT, CITY CLERK

BY: Guthrie M. Wilson
GUTHRIE M. WILSON, MAYOR

DATE: 8-31-89

0004-00965-001 02/17/20 03/16/20
New Haven Road

BF	Balance Forward			413.58
WT	1135627	1128179	744800	2,125.53
WT	Average Usage		810700	

0004-00965-001 04/15/20
2,539.11 212.55 2,751.66

LARUE CO. WATER DISTRICT
6215 N. L&N TURNPIKE ROAD
BUFFALO KY

W01	2,751.66	04/15/20	2,539.11	42716
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$2125.53 \div 744.8 = 2.853$

Exhibit C

**Larue County Water District
Purchase Water Adjustment Worksheet**

Month/Year	Purchased Water (gallons)					Hodgenville	Water Sold (gallons)
	Campbellsville	Green Taylor	Bardstown	New Haven	Green River		
Totals	13,408,100	3,280,200	26,523,200	11,008,200	95,927,400	41,416,650	167,552,303
TWELVE MONTH PURCHASED WATER COST							
Gallons Purchased	Current Rate	Cost		New Rate	Cost		
13,408,100	\$ 2.35	\$	31,509.04	\$ 2.35	\$	31,509.04	
3,280,200	\$ 2.89	\$	9,479.78	\$ 2.89	\$	9,479.78	
26,523,200	\$ 2.45	\$	64,981.84	\$ 2.45	\$	64,981.84	
11,008,200	\$ 2.33	\$	25,649.11	\$ 2.853	\$	31,406.39	
95,927,400	\$ 2.59	\$	248,451.97	\$ 2.59	\$	248,451.97	
41,416,650	\$ 2.10	\$	86,974.97	\$ 2.10	\$	86,974.97	
191,563,750		\$	467,046.69		\$	472,803.98	
Increased Cost		\$	5,757.29	PWA Factor	\$	0.034	
WATER RATE AJUSTMENT							
Rate Schedule		Current Rate		Increase	New Rate		
First	1,000 gal	\$	15.40	\$ 0.04	\$	15.44	
Next	4,000 gal	\$	7.09	\$ 0.04	\$	7.13	
Next	5,000 gal	\$	6.33	\$ 0.04	\$	6.37	
All Over	10,000 gal	\$	5.16	\$ 0.04	\$	5.20	
BILL CALCULATION							
	Usage	Current Rate		Increase	New Rate		
	5,000 gallons	\$	43.76	\$ 0.20	\$	43.96	

Exhibit D

Proposed Rates			Proposed Rates		
<u>Minimum Bills Based on Meter Size</u>			<u>Minimum Bills Based on Meter Size</u>		
Meter Size	Gals. Incl'd. in Minimum	Minimum Monthly Bill	Meter Size	Gals. Incl'd. in Minimum	Minimum Monthly Bill
5/8x3/4 inch	1,000	\$ 15.40	5/8x3/4 inch	1,000	\$ 15.44
3/4 inch	3,000	\$ 29.57	3/4 inch	3,000	\$ 29.69
1 inch	5,000	\$ 43.75	1 inch	5,000	\$ 43.95
1 1/2 inch	10,000	75.38	1 1/2 inch	10,000	75.78
3 inch	20,000	126.96	3 inch	20,000	127.76
<u>Rates for Water Usage in Addition to Minimum</u>			<u>Rates for Water Usage in Addition to Minimum</u>		
No. of Gallons per Month	Charge per 1,000 gals.		No. of Gallons per Month	Charge per 1,000 gals.	
First 1,000 Gallons (lump sum)	\$	15.40	First 1,000 Gallons (lump sum)	\$	15.44
Next 4,000 Gallons		7.09	Next 4,000 Gallons		7.13
Next 5,000 Gallons		6.33	Next 5,000 Gallons		6.37
Next 10,000 Gallons		5.16	Next 10,000 Gallons		5.20
Over 20,000 Gallons		5.16	Over 20,000 Gallons		5.20

Exhibit E

RESOLUTION NO. 2020-04-13

**A RESOLUTION OF LARUE COUNTY WATER DISTRICT NO.1
ADJUSTING ITS WATER RATES TO OFFSET THE CITY OF NEW
HAVENS' WHOLESALE RATE INCREASE**

WHEREAS, the City of New Haven (“City”) supplies potable water to Larue County Water District No. 1 (“District”) on a wholesale basis’

WHEREAS, on the January 14, 2020 to February 17, 2020 the City changed the District’s rates from \$2.33 to \$2.78 and on February 17, 2020 to March 16, 2020 the City changed the District’s rate from \$2.78 to \$2.853 per 1,000 gallons;

WHEREAS, based upon the water purchases from the City during the previous 12 months, the estimated annual increased cost to the District will be **\$5,757.29**;

WHEREAS, prudent financial management dictates that the District take action to adjust its retail rates commensurate with the City’s wholesale rate increase; and

WHEREAS, KRS 278.015 and 807 KAR 5:068 provide the legal mechanism for the District to increase its water rates commensurate with the City’s wholesale rate increase via a Purchased Water Adjustment (“PWA”)

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF LARUE COUNTY WATER DISTRICT NO.1 DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The facts, recitals, and statements contained in the foregoing preamble of this Resolution are true and correct and are hereby affirmed and incorporated as a part of this Resolution.

Section 2. The PWA factor is **\$.04** per 1,000 gallons;

Section 3. All tiers of water usage and the wholesale water rate set forth in the District's existing tariff shall be increased by **\$.04** per 1,000 gallons, subject to any minor adjustment that may be made by the PSC.

Section 4. The monthly water rates to be charged to and collected from the customers and users of the water system of the District shall be as set forth in **Appendix A**, which is attached hereto and is incorporated herein by reference as a part of this Resolution. The rates set forth in **Appendix A** are subject to any minor adjustment that may be made by the PSC. These monthly rates shall be in effect for all water service rendered on and after April 1, 2020.

Section 5. The Chairman and the General Manager are hereby authorized and directed to execute and file the PWA Application, Tariff Sheet, and all other


documents that may be required by the PSC.

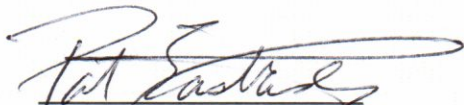
Section 6. The Chairman, General Manager, and all appropriate District Staff are hereby further authorized and directed to take any and all other actions and to execute and deliver any and all other documents as may be reasonably necessary to implement the PWA.

Section 7. This Resolution shall take effect upon its adoption.

**ADOPTED BY THE BOARD OF COMMISSIONERS OF LARUE
COUNTY WATER DISTRICT NO.1** at a meeting held on April 13, 2020,
signed by the Chairman, and attested by the Secretary.

ATTEST:

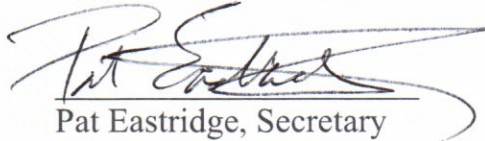

Chairman


Secretary

CERTIFICATION

I, Pat Eastridge, Secretary of Larue County Water District No. 1 (the "District"), do hereby certify that the foregoing is a true copy of a Resolution duly adopted by the Board of Commissioners of the District at a meeting properly held on April 13, 2020, signed by the Chairman of the Board of Commissioners, attested by me as Secretary, and now in full force and effect.

WITNESS my hand this 17th day of April, 2020.



Pat Eastridge, Secretary

Exhibit F

FOR LaRue County, Kentucky
Community, Town or City

P.S.C. KY. NO. 5
4th Revised SHEET NO. 4

LaRue County Water District No. 1
(Name of Utility)

CANCELLING P.S.C. KY. NO. 4
3rd Revised SHEET NO. 4

SECTION I. RATES AND CHARGES:

A. MONTHLY RATES

5/8 x 3/4 Meter

First	1,000 gallons	\$15.44 minimum bill
Next	4,000 gallons	7.13 per 1,000 gallons
Next	5,000 gallons	6.37 per 1,000 gallons
All over	10,000 gallons	5.20 per 1,000 gallons

3/4 Meter

First	3,000 gallons	\$29.69 minimum bill
Next	2,000 gallons	7.13 per 1,000 gallons
Next	5,000 gallons	6.37 per 1,000 gallons
Over	10,000 gallons	5.20 per 1,000 gallons

1 Inch Meter

First	5,000 gallons	\$43.95 minimum bill
Next	5,000 gallons	6.37 per 1,000 gallons
All over	10,000 gallons	5.20 per 1,000 gallons

1 1/2 Inch Meter

First	10,000 gallons	\$75.78 minimum bill
All Over	10,000 gallons	5.20 per 1,000 gallons

2 Inch Meter

First	20,000 gallons	\$127.76 minimum bill
All Over	20,000 gallons	5.20 per 1,000 gallons

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DATE OF ISSUE April 1, 2020
Month / Date / Year

DATE EFFECTIVE April 1, 2020
Month / Date / Year

ISSUED BY /s/ John Detre
(Signature of Officer)

TITLE Chairperson

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATE _____